

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b). (This is a GIL).

August 15, 2002

Dear Xxxxx:

This letter is in response to your letter dated June 4, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at www.revenue.state.il.us/Laws/regs/part1200/.

In your letter, you have stated and made inquiry as follows:

AAA is a retail clothing operation with stores throughout the state. We are requesting a Ruling with respect to electronic exemption/resale certificates for sales and use tax purposes.

We are in the process of converting all of our stores to a new Point of Sale system. This system has the capability to electronically capture the following information: Purchaser's name and address, Purchaser's exemption/resale number, statutory reason for the exemption, the date and signature of the Purchaser.

We would like an opinion if, at the time of an audit, the state will accept an electronic certificate in lieu of the paper certificate authorized by the State. Please send response to:

NAME/ADDRESS

Thank you in advance for your immediate attention to this request. If you have any questions or require additional information, please feel free to contact me.

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b), enclosed. A Certificate of Resale is a statement signed by the purchaser that the property purchased by him is purchased for purposes of resale. Provided that this statement is correct, the Department will accept Certificates of Resale as prima facie proof that sales covered thereby were made for resale. In addition to the statement, a Certificate of Resale must contain:

- 1) The seller's name and address;
- 2) the purchaser's name and address;
- 3) a description of the items being purchased for resale;

- 4) purchaser's signature, or the signature of an authorized employee or agent of the purchaser, and date of signing;
- 5) Registration Number, Resale Number, or Certification of Resale to Out-of-State Purchaser

If an electronic certificate is kept, it should contain all of the information above. In regards to the signature requirement, a digital signature would be acceptable. The law does allow the Department to look at other evidence in determining the sufficiency of a certificate of resale. Therefore, if a signature is not kept in accordance with the statute, a sale presumed to be a sale at retail, but other evidence can rebut this presumption in proving that the sale was in fact for resale. The risk run by companies in accepting such a certification and the risk run by purchasers in providing such a certification is that an Illinois auditor is much more likely to go behind a Certificate of Resale which does not contain a signature and require that more information be provided by Companies as evidence that the particular sale was, in fact, a sale for resale.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.